

The Hasina Government has Surrendered to the Neo-Colonial Policies of the IMF and Stabbed the Ummah again by Imposing Exploitative Income Taxes and Debt Burdens

News:

The government's major concerns in finalizing the FY24 budget are limited revenue income and compliance with IMF loan requirements. The record budget of Taka 7617.85 billion has a record deficit of Taka 2578.85 billion when foreign funding and loans are factored in. To meet the massive spending, a total revenue target of Taka 5039 billion has been set up. To meet this deficit budget, the government has to borrow more from foreign loans and the domestic sectors. According to sources, foreign loans worth Tk 1024.9 billion will be taken in FY24. In addition, Taka 1153.95 billion is being borrowed from domestic sources. Placing the Taka 7617.85 billion national budget in the Jatiya Sangsad on Thursday, the finance minister addressed the issues asked for by the IMF. One of the conditions that have to be implemented in the new fiscal year is the initiative to increase revenue collection. The IMF said steps should be taken from the new fiscal year to increase tax revenue collection by 0.50% of GDP every year. Mustafa Kamal proposed imposing a minimum tax of Taka 2000 on those who are required to file income tax returns. Mustafa Kamal spoke about new strategies have been adopted in all three areas --- Value-Added Tax (VAT), Income Tax and Customs to increase revenue collection. ([The Business Standard, 01 June, 2023](#))

Comment:

While the secular capitalist rulers of Bangladesh claim that the national budget is their own budget, the neo-colonialist institution IMF has been controlling the entire budgeting process according to their wishes. On the one hand, Hasina government's Finance Minister AHM Mustafa Kamal is commenting that the budget was not made according to IMF advice and, on the other hand, he is deceiving people by saying that-*"I don't see any problem with IMF conditions because IMF advises us for better project management, and it is beneficial."* The reality is that neo-colonialist institutions like the IMF set new goals and priorities for our economy, address new challenges and problems, and apply pressure to implement their policies to solve those problems. The IMF has long been pursuing the Bangladesh government to rely on Tax and VAT for so-called efficient revenue collection. Following the IMF's prescription to enhance taxation and the tax net, the government has already taken punitive measures to tax the poor and even those with no income to achieve the revenue collection target of about Taka 700 billion more than last year. In order to deceive the people, the government has on one hand increased the tax-free income limit from Taka 300,000 to Taka 350,000 but on the other hand imposed a mandatory minimum tax of TK 2000 on the people who are not able to pay tax, which will plunge

the people who are already crushed by inflation into a mountain of misery. The government has even threatened the people that they will be deprived of 44 types of public and private services if they do not pay the minimum tax of Tk 2000. The Hasina government is unwilling to be content with just imposing oppressive direct and indirect taxes (VAT, Supplementary duty levied on essential goods and services etc.) on the people but is also determined to impose a huge debt and interest burden on our future generations. To deal with the budget deficit of Taka 1,020 billion (50% of total deficit), they will resort to loans from neo-colonialist institutions like the IMF; those who provide loans on tough conditions are basically anti-development and anti-people. These interest-based foreign loans will keep us trapped in colonialist debt for decades, even after repaying more than the debt received. The surrender of the regime to colonialist countries and subjection to the policies of the IMF will lead the country to real destruction and to a major disaster.

Thus, in order to liberate ourselves from the endless economic miseries and dictations of the Western colonialist financial institutions, we need to uproot the Capitalist system as well and replace it with the ideological Islamic economic model under the shade of the second Khilafah Rashidah (rightly guided Caliphate) on the method of Prophethood. According to the Shariah principles of public finance in the Khilafah state, revenue collection does not make public life miserable by burdening people with taxes and loans. Islam will free people from cruel taxes like VAT or Goods and Services Tax (GST) and income tax. RasulAllah (saw) said, «لَا يَدْخُلُ الْجَنَّةَ صَاحِبُ مَكْسٍ» “The collector of taxes will not enter Jannah” (Ahmad).

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